

# PRESS RELEASE

20th June 2012

## DTH leads the digital boom in Latin America

Most Latin American territories are experiencing a surge in digital TV take-up, according to a new report from Digital TV Research. The **Digital TV Latin America** report estimates that only about a third of TV households received digital signals by end-2011, although this was up from only a quarter a year earlier. By 2017, the report forecasts that more than three-quarters of the region's TV households will have digital TV. This equates to 103 million homes in 2017, up from 40 million at end-2011 – so more than 10 million digital households will be added each year.

From the 63 million digital homes to be added between 2011 and 2017, 15 million will be DTH. Digital cable subscriber numbers will climb by 14.5 million, although analog cable subscriptions will fall by 8.0 million. IPTV will add 4.3 million subscribers. Primary DTT will add 29 million homes between 2011 and 2017, with the number of analog terrestrial households falling by 41 million.

Simon Murray, author of the report, said: "DTH subscriptions have overtaken cable in both Brazil and Mexico. Brazil, the largest market in the region, will add nearly 28 million digital TV households across all platforms between 2011 and 2017 to take its total to 47 million. Mexico will provide a further 17 million to reach 26 million."

Despite the rapid conversion, digital TV will still have plenty of room for future growth. There will still be 33 million analog TV homes (24% of the total) by end-2017, though this is down by 73 million on the 2007 figure. Puerto Rico will be the first to reach complete conversion to digital – in 2015.

Pay TV penetration will reach 50% by 2017, up from 35% at end- 2011. This means 26 million more pay TV homes, with half of this increase coming from Brazil and 6.5 million from Mexico. Argentina will record 74% pay TV penetration by 2017, but Brazil will be at the other end of the scale at 41% (although this is up from only 23% at end-2011).

Pay TV revenues in Latin America will be US\$8 billion higher in 2017 (US\$22.9 billion) than in 2011. DTH will continue to be the largest pay TV platform, with revenues reaching US\$15.9 billion in 2017, followed by cable with US\$6.2 billion. Brazil (US\$10.1 billion) will be the top country in 2017, followed by Mexico (US\$4.6 billion) and Argentina (US\$3.0 billion).

DTH will remain the main source of pay TV revenues. Brazil will account for US\$8.1 billion in DTH revenues by 2017 (almost double its 2011 total and half the region's total DTH revenues in 2017). Brazil will also be the largest country by pay DTH subscribers. However, DTH penetration will be highest in Mexico (34%) by 2017, followed by Venezuela (27%). Average pay DTH penetration for the region will be 24% by 2017, up from 14% in 2011.

Cable TV is not going to add much traction. This is mainly because analog subs will not necessarily upgrade to digital cable, but may defect to other digital platforms (including DTT). There will be 30 million cable homes by 2017, up from 24 million at end-2011. Cable penetration will be 22.4% by 2017, from 19.6% at end-2011.

Simon Murray added: "The good news for cable operators is that the number of digital subscribers will more than triple over the same period, although the analog total will more than halve."

Digital cable penetration will reach 16.6% for the region by 2017, with Argentina boasting the highest penetration (33%). Another 18% of Argentine TV households (2.0 million) will still receive analog cable signals by 2017. Brazil will contribute 2.5 million to the regional total of 7.8 million analog cable subs in 2017.

Cable TV revenues will increase by only 29% between 2011 and 2017 to US\$6.2 billion. Digital cable TV revenues will climb by US\$2.8 billion during this period to US\$4.8 billion, with analog cable TV falling from US\$2.8 billion to US\$1.4 billion. Digital cable revenues will overtake analog cable revenues in 2013.

The number of homes paying for IPTV will take off from a very low base to reach 4.8 million by 2017 – or 4% of TV households. IPTV penetration will be highest in Chile (6%) and Colombia (7%) by 2017. IPTV revenues will reach US\$741 million by 2017, up from only US\$83 million in 2011.

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